

Q4



CUSTOMER
NEWSLETTER

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Fourth Quarter Customer Newsletter



Message from our General Manager

Dear Business Partners,

Together, we leave behind the year 2022 that has passed with its ups and downs.



As you know, GCA operates in the glass packaging industry within the Gürok Group, stands out with its innovative approach, quality production, and experience we provide to our business partners. Despite all the difficulties of 2022, we are pleased that our industry closed the year with growth. With the aim of becoming one of the leading companies in our industry, GCA always aims to contribute to this growth with all its employees. The fact that we were granted with the “Company with the highest increase in exports in 2021” and “The Second company with the highest exports in 2021” awards in the glass packaging category by the Türkiye Exporters Assembly on 20 December 2022 made us make sure once again that we are on the right track. We will continue to do our best as we have so far, locally and globally, in exports.

In 2023, the 100th anniversary of our Republic, we wish to represent our country even better in global markets. As GCA, we continue to grow and always keep ourselves up to date so that our processes remain at the highest state-of-the-art technology level in the world. Our R&D projects, process and technology improvement works will be carried on to 2023 as well. As GCA, we aim to strengthen our position in the industry in 2023 and take our service to the next level by realizing our digitalization projects in all our processes, from the customer portal to the shipment appointment software project.

As we leave behind 2022, the International Year of Glass, our EKOMAT Project in Yalova continues at full speed. At the end of 2022, we have recycled more than 1 million packaging products back into the economy with our project. We will keep you informed about our current and future projects throughout the year.

Hoping to meet you in the next issue with more good news, we would like to thank you wholeheartedly for the trust you have shown us so far.

Dr. Abdullah GAYRET

Two awards for GCA and four awards for Gürok at the 4th Champions of Exports Award Ceremony!

Gürok Group received 4 awards at the Champions of Exports Award Ceremony in the glass industry!

Incorporating two of Türkiye's leading brands, LAV and GCA, in glass tableware and glass packaging categories, Gürok received 4 awards in 2 categories at the "Champions of Exports" awards. Gürok's success has been confirmed with export awards, with the LAV brand exporting to 140 countries and the GCA brand exporting glass packaging to more than 40 countries.

Gürok, which has been operating in the glass packaging industry and glass tableware field for 25 years, was granted with 4 awards in the glass tableware and glass packaging sectors in the "Champions of Exports Award Ceremony" organized for the fourth time this year by the Cement, Glass, Ceramics and Soil Products Exporters' Association (ÇCSİB).

At the ceremony where exporters of 2021 were evaluated, GCA in the glass packaging category and LAV in the glassware category were both awarded the "Company with the Most Increase in Exports". At the same time, GCA and LAV won the second prize in the "Company with the Most Exports" awards in their categories.

Regarding the award, Erol Güral, Deputy Chairman of the Board of Directors of Gürok Group, said: "With our experience of more than 25 years in the glass industry, we are growing with the GCA brand in glass packaging production, and on the other hand, we are on the table of more and more households with LAV, the glass tableware brand for the end consumer. We export our LAV brand, which is taking firm steps towards becoming a world brand,

to 140 countries. As the world's 5th largest glass tableware producer, we produce 2 million pieces of glass on a daily basis with our two production facilities, and we deliver our products to people in every corner of the world with 350 business partners on a global scale and 200 thousand sales points.



Stating that they have gained significant knowledge in glass container production with GCA, one of the group companies whose foundations were laid in 2015, Gürok Group Deputy Chairman of the Board Erol Güral said, "We bring together our experience and knowledge in the sector with an innovative approach in the glass packaging sector. With our GCA brand, we are rapidly moving towards becoming one of the most preferred players in the glass packaging industry in the international arena. We export to more than 40 countries, especially the Middle East, European and African countries. With our activities, we will continue to contribute to our country's economy while also contributing to our company and employees."



GCA participated at the Quality Congress

GCA participated in the 31st Quality Congress organized by the Quality Association (KALDER) on 22-23 November 2022. The organization, which has been held online for the last two years, was held in Kocaeli Congress Center with physical sessions this year. The main theme of the 31st Quality Congress, attended by companies from many different sectors, from software to production, was “Beyond Risk: Justice in Science, Industry and Society” and was analyzed under different sectors and titles. Among these sectors, the food and energy sector came to the fore.

At the 31st Quality Congress, where it was emphasized that global risks and access to energy will become more difficult day by day, it was also among the important topics discussed that accelerating the transition to green energy is a necessity for our world, where approximately 60% of the source of electricity produced come from fossil fuels. The agenda of seeing nuclear energy and natural as Green Energy in the eyes of the European Union also attracted attention.

At the event, striking data on the food crisis were also shared. According to the data, the average daily caloric need of a person is 2000 kcal while the daily food production in the world is 4000 kcal per person. Despite the positive difference between these figures, one billion people are struggling with hunger, while one billion people are obese. Thus, it was concluded that unconscious consumption is the main cause of this crisis.

End of the Year Results of EKOMAT

EKOMAT, the Economic Ecological Reverse Vending Machine Project, which we have implemented together with Park Cam and Bircam Foundation in order to raise awareness in order to make the world of tomorrow better for our children, who are our future, is a comprehensive pilot project that we started in Yalova with the theme of sustainability, aiming to realize 100% recycling of glass, plastic and metal beverage packages, to create recycling awareness, and to collect numerical data for waste management setup.

What makes the EKOMAT project unique is its end-to-end service. The EKOMAT Project is an end-to-end recycling project with the management of all components of the waste until a new product is formed again thanks to the supply and commissioning of the reverse vending machine, the establishment and management of the reward system, the waste management and the recycling of the collected waste. The EKOMAT Project is the first to include all the steps of recycling with a systematic application.

In the project, which was designed with the theme of sustainability, to realize 100% recycling of glass, plastic and metal beverage packages, 27 “EKOMATs” were positioned at 15 points within the borders of Yalova and Çiftlikköy Municipalities with the guidance of the Turkish Ministry of Environment, Urbanization and Climate Change. EKOMATs have been placed in public areas such as parks, marketplaces, schools and squares, as well as in areas frequently visited by consumers. We also use our EKOMATs in our GCA Kütahya production facilities and Istanbul Sales and Marketing Offices.

Why EKOMAT?

We live in an age where our needs and therefore our consumption are constantly increasing, and accordingly we have come to the point of consuming natural resources. Creating recycling awareness and gaining recycling habits play a very important role in preventing the destruction of this excessive resource consumption and especially the use of energy sources obtained from fossil fuels, on nature. EKOMAT, which rewards users based on the amount of recycled packaging waste with its technological infrastructure and easy use, aims to create recycling awareness in everyone from 7 to 70, and to make recycling a habit.

EKOMAT's Goals:

- To save energy and emissions by re-incorporating recycled packaging waste into production, to achieve a more sustainable production
- To create awareness of recycling in the public
- To make the consumers gain the habit of recycling

To gather numerical data for the national waste management scheme that will provide insights for the new waste management system.

Year-End Achievements of the Project:

Thanks to the EKOMAT reverse vending machines, which were used by more than 10 thousand people in the first 6 months of the project, over 1 million glass, plastic and metal bottles were recycled. With these products recycled, nearly 85 tons of raw materials were saved, and the use of approximately 150 barrels of oil was prevented. With the packaging waste collected within the scope of the project, the release of nearly 2.5 tons of greenhouse gases to the nature was prevented, and 260 thousand cubic meters

of storage space was saved. At the same time, approximately 55 thousand kilowatt-hours (kWh) of energy was prevented from being wasted.



GCA Attended 11th Ceramics Congress

Between 21-23 November 2022, the 11th Ceramics Congress with International Participation was held by the Turkish Ceramics Association. A session was reserved for glass at the 11th Ceramics Congress with International Participation, where current scientific, industrial and artistic developments in the field of ceramics were discussed. In this session representing GCA, our R&D and Projects Manager Dr. Hande Özbayraktar, made a presentation about our company to the congress participants and talked about research and development studies on innovative glass compositions and functionality that can be added to glass products, which GCA carries out in collaboration with different universities in Türkiye and abroad.

We Attended Eskişehir TED College's Career Talks Event

As GCA, we attended the 3rd Career Talks event organized by TED Eskişehir College. Our Software Development Engineer, Muhammed Burak Güler, told the students about his adventure of choosing his own software development engineering and told about his experiences in business life. He answered students' questions about software development engineering, which has recently become a profession preferred by many students and gave advice on how to improve themselves in this field.

GCA Attended Türkiye Deposit Management Project Workshop

Our Head of Business Development, Mrs. Pırl G. G. Konuk represented GCA in the Closing Workshop of Türkiye Deposit Management System, which was carried out by the Turkish Environment Agency and was designed by İO Çevre Çözümleri Ar-Ge Ltd. Şti.

The mandatory deposit practice, which will start as a pilot with the reward system in 2023, will begin on 1 January 2024 for all products included in the scope, and as of this date, the label of these products will include the phrase "returnable". This label will include the Deposit Management System (DYS) logo printed with a special ink, as well as the DYS barcode or GS1 barcode created by the Deposit Information Management System (DBYS). This label can be printed only and only in the facilities of authorized institutions. In DBYS, the registration, control and permissions of packaging and labels will be managed by the General Directorate of Mint and Stamp Printing House, Ministry of Treasury and Finance.

The collection process of returnable packages will be carried out with the Deposit Field Management System (DBYS). DBYS, whose operator will be determined by tender procedure, will undertake the entire field operation. The collection of returnable packages will be carried out from reverse vending machines and manual collection points. The operator who wins the tender will be responsible for installing the reverse vending machines at the return points and integrating them into the data system. Crushed, pressed or broken packaging waste collected from reverse vending machines will be taken to recycling facilities, while manually collected waste will be verified at the operator's verification centers or verification center at an existing waste facility. While it is aimed to have 7 thousand reverse vending machines active throughout Türkiye in the first year of the system, 20 thousand reverse vending machines and 10 thousand manual return points are targeted in the second year.

Great Attention to GCA at İstanbul Eurasia Packaging Fair

GCA, one of the pioneers of Türkiye's glass packaging industry, participated in the 27th Eurasia Packaging Fair, which was held in İstanbul TÜYAP on 12-15 October this year.

Continuing Gürok Group's more than 25 years of experience and knowledge in glass tableware production with an innovative approach in the glass packaging industry, GCA hosted its domestic and international visitors at the Eurasia Packaging Fair, which brings together all the stakeholders of the food and beverage sectors and the packaging industry.

At the fair, which was held for the 27th time this year, with a total of 72,000 visitors, 13,000 of which were from abroad, GCA's booth attracted great interest. Since 2022 was declared the International Year of Glass by the United Nations General Assembly, the glass industry came to the fore at the fair more than every year. The fair also created a platform where GCA established long-term business relations, strengthened existing business partnerships, and stepped into new business collaborations to strengthen its presence abroad.

Emphasizing that the Eurasia Packaging Fair brought together important representatives of the industry, GCA General Manager Dr. Abdullah Gayret said "With our exports to more than 40 countries, our design awards, our projects and investments, GCA continues to stand out as a leading player in the industry. Eurasia Packaging Fair, the leading fair of the packaging industry, held for the 27th time this year due to the announcement of 2022 as the International Year of Glass, has a special place for our industry. We proudly represented our industry at the fair. We are pleased with the interest shown by our visitors at the fair, which we attended with the aim of strengthening our long-term business partnerships and establishing new connections."



The number of countries where Turkish exports exceed 1 billion dollars has increased to 44

According to the data published by the Turkish Exporters Assembly (TIM), Türkiye's exports increased by 14% between January 2023 and November 2023 and reached 231 billion dollars. On the other hand, the number of countries to which Türkiye exports more than 1 billion dollars' worth of goods, has reached 44. While Germany was the most exported country with 17.3 billion dollars, the United States was the second with 13.2 billion dollars and the United Kingdom was the third country to which we exported the most with 11.3 billion dollars.



Out of 44 countries to which we exported more than 1 billion dollars' worth of goods, exports to 33 countries increased compared to the same period last year, while there was a decrease in 11 of them. The largest proportional increase was the Republic of South Africa with 100.5%, where the export volume of 774 million dollars reached 1.55 billion dollars. Lebanon followed the Republic of South Africa with an increase of 69.3% (\$2.16 billion) and the Turkish Republic of Northern Cyprus with an increase of 44.6%.

Russia, Putin: The natural gas price will be determined by the hub in Türkiye

There are new developments about the natural gas distribution hub planned to be established to supply Russian natural gas to Europe. Russian Deputy Prime Minister Aleksandr Novak said in a statement that he met with Turkish officials and that he expects the decision on this distribution hub to be made in 2023. On the other hand, Gazprom Chairman of the Board Aleksey Miller states, "We started the practical implementation of the natural gas distribution hub project in this country together with Türkiye. This decision was taken at the level of the leaders of the two countries, and we started the practical implementation of this project. Therefore, of course, we are thinking about our new projects and our energy security. I would like to state that the TürkAkım and Mavi Akım projects in offshore pipelines are operating safely."



Speaking on the subject at the Strategic Development Council meeting in Moscow, Russian President Vladimir Putin said: "The world needs energy and will continue to need it in the future. Russia will continue to sell its natural gas to markets with perspective. In this sense, our neighbor Türkiye is an important natural gas customer and you know that we are planning to establish a gas distribution center for Europe in Türkiye in a few years. Even before the project is fully operational, we can work with the Turkish side to initiate electronic gas sales transactions at the Istanbul distribution point within a month or two. The common electronic platform in Istanbul will determine the gas price for buyers from Europe."

United Kingdom: Single-use plastic items to be banned in the UK

Negotiations will take place in the United Kingdom (UK) to ban single-use plastic items such as tableware, plates and polystyrene cups so that biodegradable alternatives can be used. The UK also banned disposable straws, stirrers and cotton swabs in 2020. An official from the Department of Environment, Food and Rural Affairs stated, “We are committed to moving faster and going further in reducing, reusing and recycling waste. Ending our dependence on single-use plastics is vital to achieving our 25-year environmental plans.”



Glass Industry Calls for EU Energy Pricing Measures

The glass industry has called on the European Union to prevent energy cost increases and ensure predictable prices in energy prices. Ahead of the Council meeting of energy ministers in November, Glass Alliance Europe stated that energy prices with fluctuating prices between €100 and 125, seriously weaken Europe's economy, industry, and thus, the society.

Inflation, slowing growth and increasing energy shortages drive glass production costs upwards and threaten all glassmakers. At the same time, it caused the postponement of new investments and even the cessation of production in some regions in Europe, which is already in need of industrial investment.

It was noted that the potential damage to the glass industry, which supplies products to many critical sectors such as food, beverage, construction, transportation, infrastructure and pharmaceuticals, may harm Europe's climate neutrality objective, resilient value chain and strategic autonomy goals.



France: French Glassmakers to receive energy aid from Normandy

The Normandy local government is working on a €30 million aid package to help French glassmakers cope with rising energy costs in Europe. While the constantly rising energy costs in Europe made it difficult for glassmakers, French glass tableware manufacturer Duralex decided to stop its single furnace on 1 November, and it was announced that the furnace would remain inactive for at least 5 months.

In order to avoid similar situations in other companies, the local government in the Normandy region, where the Bresle Valley is home to 70% of the world's luxury glass packaging production, aims to eliminate the energy costs that threaten glassmakers for a while with an energy aid of €30 million. Companies such as Verescense, Saverglass, Pochet du Courval, Zignago Vetro Brosse and Waltersperger will also benefit from this aid, as well as companies providing technology to the glass industry, mold manufacturers and decor companies.



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